

Altman Foundation

Financial Statements

December 31, 2024 and 2023

Independent Auditors' Report

Board of Trustees Altman Foundation

Opinion

We have audited the accompanying financial statements of the Altman Foundation, which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Altman Foundation as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of the Altman Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Altman Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Altman Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Altman Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

PKF O'Connor Davies, LLP

September 16, 2025

Altman Foundation

Statements of Financial Position

	December 31	
	2024	2023
ASSETS		
Cash in operating account	\$ 890,379	\$ 87,483
Prepaid taxes	122,168	56,925
Prepaid expenses and other assets	174,528	182,418
Investments (Note 4)	282,442,584	279,490,251
Program related investments (Note 5)	663,580	936,670
Furniture, equipment and leasehold improvements, net (Note 8)	430,023	491,709
Right of use asset- operating lease (Note 7)	<u>1,817,739</u>	<u>2,081,251</u>
	<u>\$ 286,541,001</u>	<u>\$ 283,326,707</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Grants payable (Note 9)	\$ 4,504,980	\$ 3,946,285
Accounts payable and accrued expenses	209,849	187,398
Current federal excise tax liability (Note 3)	225,884	72,907
Deferred federal excise tax liability (Note 3)	680,561	728,487
Lease liability - operating lease (Note 7)	<u>2,223,785</u>	<u>2,527,192</u>
Total Liabilities	7,845,059	7,462,269
Net assets without donor restrictions	<u>278,695,942</u>	<u>275,864,438</u>
	<u>\$ 286,541,001</u>	<u>\$ 283,326,707</u>

See notes to financial statements

Altman Foundation

Statements of Activities

	Year Ended December 31	
	2024	2023
INVESTMENT RETURN		
Interest and dividends	\$ 5,119,595	\$ 4,042,945
Net partnership income	663,232	1,299,123
Net realized gain on sale of investments	22,133,288	6,661,750
Change in net unrealized (depreciation) appreciation on investments	(3,879,529)	13,082,984
Other gain	-	311
Gross Investment Income	24,036,586	25,087,113
Less: external investment expenses	(4,485,234)	(3,429,543)
Less: direct internal investment expenses	(109,771)	(94,714)
Investment Return	19,441,581	21,562,856
EXPENSES		
Program Services		
Program grants	13,433,836	11,816,230
Other program	1,726,290	1,718,546
Total Program Services	15,160,126	13,534,776
Supporting Services		
General and administration	770,157	699,529
Investment related taxes	318,516	359,030
Other investment	361,278	272,878
Total Expenses	16,610,077	14,866,213
Change in Net Assets	2,831,504	6,696,643
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Beginning of year	275,864,438	269,167,795
End of year	\$ 278,695,942	\$ 275,864,438

See notes to financial statements

Altman Foundation

Statements of Functional Expenses For the Year Ended December 31,

	2024						
	Program Services			Supporting Services			
	Program Grants	Other Program	Total Program Services	General and Administration	Investment Related Taxes	Other Investment	Total
Grants authorized	\$ 13,433,836	\$ -	\$ 13,433,836	\$ -	\$ -	\$ -	\$ 13,433,836
Salary and wages	-	942,618	942,618	363,067	-	218,630	1,524,315
Payroll taxes and employee benefits	-	309,442	309,442	117,767	-	61,643	488,852
Operating lease	-	221,608	221,608	68,250	-	38,716	328,574
Occupancy	-	40,643	40,643	12,517	-	7,101	60,261
Depreciation and amortization	-	64,154	64,154	22,528	-	12,143	98,825
Technology and computer related	-	63,052	63,052	23,996	-	12,560	99,608
Professional fees	-	-	-	109,828	-	-	109,828
Office expense	-	35,099	35,099	10,810	-	6,132	52,041
Dues, memberships and subscriptions	-	42,226	42,226	3,209	-	4,114	49,549
Travel, conferences and meetings	-	7,448	7,448	9,342	-	239	17,029
Insurance	-	-	-	20,437	-	-	20,437
Miscellaneous	-	-	-	8,406	-	-	8,406
Total Before Investment Related Taxes	13,433,836	1,726,290	15,160,126	770,157	-	361,278	16,291,561
Federal excise tax-current	-	-	-	-	406,083	-	406,083
Federal excise benefit-deferred	-	-	-	-	(47,926)	-	(47,926)
Unrelated business income benefit	-	-	-	-	(39,641)	-	(39,641)
	<u>\$ 13,433,836</u>	<u>\$ 1,726,290</u>	<u>\$ 15,160,126</u>	<u>\$ 770,157</u>	<u>\$ 318,516</u>	<u>\$ 361,278</u>	<u>\$ 16,610,077</u>

	2023						
	Program Services			Supporting Services			
	Program Grants	Other Program	Total Program Services	General and Administration	Investment Related Taxes	Other Investment	Total
Grants authorized	\$ 11,816,230	\$ -	\$ 11,816,230	\$ -	\$ -	\$ -	\$ 11,816,230
Salary and wages	-	929,392	929,392	328,404	-	151,862	1,409,658
Payroll taxes and employee benefits	-	301,013	301,013	95,315	-	36,046	432,374
Operating lease	-	219,380	219,380	68,025	-	39,114	326,519
Occupancy	-	52,352	52,352	16,363	-	9,389	78,104
Depreciation and amortization	-	67,467	67,467	21,211	-	9,552	98,230
Technology and computer related	-	70,956	70,956	22,468	-	8,497	101,921
Professional fees	-	975	975	94,410	-	5,135	100,520
Office expense	-	38,824	38,824	12,057	-	6,930	57,811
Dues, memberships and subscriptions	-	34,278	34,278	2,617	-	5,911	42,806
Travel, conferences and meetings	-	3,909	3,909	9,110	-	377	13,396
Insurance	-	-	-	20,852	-	-	20,852
Miscellaneous	-	-	-	8,697	-	65	8,762
Total Before Investment Related Taxes	11,816,230	1,718,546	13,534,776	699,529	-	272,878	14,507,183
Federal excise tax-current	-	-	-	-	125,562	-	125,562
Federal excise tax-deferred	-	-	-	-	160,561	-	160,561
Unrelated business income tax	-	-	-	-	72,907	-	72,907
	<u>\$ 11,816,230</u>	<u>\$ 1,718,546</u>	<u>\$ 13,534,776</u>	<u>\$ 699,529</u>	<u>\$ 359,030</u>	<u>\$ 272,878</u>	<u>\$ 14,866,213</u>

See notes to financial statements

Altman Foundation

Statements of Cash Flows

	Year Ended December 31	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest and dividends received	\$ 322,454	\$ 220,519
Other receipts	2,619	3,130
Payments for federal excise taxes	(278,708)	(59,015)
Payments to vendors	(977,141)	(907,730)
Payments for compensation and benefits	(2,074,766)	(1,903,738)
Payments for grants and matching gifts	(12,875,141)	(12,550,565)
Net Cash from Operating Activities	<u>(15,880,683)</u>	<u>(15,197,399)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(52,761)	(56,864)
Partnership distributions	15,017,266	15,017,836
Partnership capital calls	(5,392,377)	(7,488,086)
Disbursement of program related investment	(53,333)	(150,770)
Repayment of program related investment	329,945	234,873
Purchases of investments	(155,346,289)	(1,500,000)
Proceeds from redemptions of investments	<u>162,181,128</u>	<u>8,951,823</u>
Net Cash from Investing Activities	<u>16,683,579</u>	<u>15,008,812</u>
Net Change in Cash	802,896	(188,587)
CASH		
Beginning of year	<u>87,483</u>	<u>276,070</u>
End of year	<u>\$ 890,379</u>	<u>\$ 87,483</u>

See notes to financial statements

Altman Foundation

Notes to Financial Statements December 31, 2024 and 2023

1. Organization

The Altman Foundation (the "Foundation") was established and funded in 1913 by Benjamin Altman, the founder of B. Altman & Co. Under its charter, the Foundation is limited to grants to organizations in New York State. The Foundation supports programs and organizations within the five boroughs of New York City in five major areas: (i) Education; (ii) Health; (iii) Strengthening Communities; (iv) Cultural Engagement, Youth Development, and the Arts; and (v) in the overarching area of Services to Not-for-Profits.

2. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Foundation have been prepared in conformity with accounting principles generally accepted in the United States of America ("US GAAP"). Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. At December 31, 2024 and 2023, the net assets of the Foundation were without donor restrictions.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value Measurements

The Foundation follows US GAAP guidance on fair value measurements which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist. The Foundation follows US GAAP guidance which removed the requirements to categorize within the fair value hierarchy all investments for which fair value is measured using the Net Asset Value ("NAV") per share as a practical expedient.

Cash and Cash Equivalents

Cash and cash equivalents represent short-term investments with maturities of three months or less at time of purchase, except for those short-term investments managed by the Foundation's investment managers as part of their long-term investment strategies.

Altman Foundation

Notes to Financial Statements
December 31, 2024 and 2023

2. Summary of Significant Accounting Policies (continued)

Investment Valuation and Investment Income Recognition

Investments, other than Certificates of Deposit, are carried at fair value. Certificates of Deposit are carried at cost plus accrued interest. Investment purchases and sales are recorded on a trade-date basis. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Realized gains/losses and changes in unrealized appreciation are included in the determination of the change in net assets.

Program Related Investments

The Foundation makes Program Related Investments ("PRIs") to other organizations to achieve charitable purposes in alignment with the Foundation's strategies. These investments are either direct loans or via participation in a PRI loan portfolio as part of a limited partnership interest.

Direct loan PRIs bear a below-market interest rate. These loans are initially measured at fair value at inception to determine if a contribution element exists. Loans are then recorded on a net basis to reflect a discount on loan receivable if such discount is material to the Foundation's financial statements and the discount is amortized to grant expense over the term of the loan. In addition, a loss reserve estimate is reviewed on an annual basis and adjusted if collectability risk has significantly changed based on the Foundation's understanding of the borrower's financial health and/or payment history.

Investment in loan PRIs as part of a limited partnership interest are recorded at the amount the partnership expects to collect for the Foundation's interest. Any loss reserve is recorded at the partnership level, and the Foundation's interest is adjusted accordingly.

Furniture, Equipment and Leasehold Improvements

Furniture and equipment, including computer hardware and software, are recorded at cost and depreciated using the straight-line method over periods ranging from five to ten years. Leasehold improvements are recorded at cost and amortized over the term of the lease. The Foundation capitalizes all property and equipment items over \$10,000.

Grants

Grants are recorded when authorized by the Board of Trustees.

Altman Foundation

Notes to Financial Statements
December 31, 2024 and 2023

2. Summary of Significant Accounting Policies (*continued*)

Concentration of Credit Risk

Financial instruments that potentially subject the Foundation to concentrations of credit and market risk consist principally of cash, cash equivalents, and securities held at financial institutions. Deposits held at financial institutions insured by the Federal Deposit Insurance Corporation ("FDIC") are insured up to \$250,000. Securities holdings at financial institutions insured by the Securities Investor Protection Corporation ("SIPC") are insured up to \$500,000. At times, throughout the year, balances have exceeded the FDIC and/or the SIPC limit. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash or securities held in such institutions.

The Foundation has a diversified portfolio of investments across multiple asset classes, and routinely assesses the diversification and financial strength of its cash and investment portfolio to limit concentration of credit risk. Although the Foundation's securities held in its brokerage account exceeded \$500,000 as of December 31, 2024 and 2023, there were no uninsured amounts as the broker's custodian provides coverage in excess of SIPC limits from multiple other commercial insurers.

Leases

The Foundation leases its office space and determines at inception whether a lease is an operating lease. Operating leases are included in right of use assets ("ROU assets") and lease liability on the statements of financial position.

The ROU asset represents the right to use an underlying asset for the lease term. The related liability, a lease liability-operating lease, represents the obligation to make lease payments arising from the lease.

ROU assets and lease liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The present value was calculated using the Foundation's borrowing rate, as lessor's implicit borrowing rate was not available.

The ROU asset includes any lease payments made and excludes lease incentives. The lease term may include options to extend the lease and when it is reasonably certain that the Foundation will exercise that option, such amounts are included in ROU assets and lease liabilities. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The Foundation has elected to apply the short-term lease exception to all leases with a term of one year or less.

Altman Foundation

Notes to Financial Statements December 31, 2024 and 2023

2. Summary of Significant Accounting Policies (*continued*)

Leases (continued)

The Foundation's office space lease agreement does not contain any residual value guarantees nor material restrictive covenants. This lease agreement has lease and non-lease components, the latter are accounted for separately as incurred.

Functional Expenses

The financial statements report expenses by function as either program or supporting activities. This requires expenses to be allocated on a reasonable basis that is consistently applied. Most expenses can be identified and charged directly to either program or supporting activities. Depreciation, occupancy and office expenses are allocated using office square footage. Salary and wages, payroll taxes and employee benefits, and technology and computer related expenses are allocated using management's estimate of time and effort.

Accounting for Uncertainty in Income Taxes

The Foundation recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Management has determined that the Foundation had no uncertain tax positions that would require financial statement recognition or disclosure. The Foundation is no longer subject to examinations by the applicable taxing jurisdictions for periods prior to 2021.

3. Federal Excise Taxes

The Foundation is a nonprofit organization exempt from Federal income taxes under the provisions of Sections 501(c)(3) of the Internal Revenue Code (the "Code") and is a private foundation as defined in Section 509(a) of the Code. The Foundation incurs current federal excise taxes on its net investment income at a rate of 1.39%. In addition, it is required to make certain minimum distributions in accordance with a formula specified by the Internal Revenue Service. For 2024 and 2023, the Foundation met its minimum distribution amounts.

The Foundation also records deferred taxes which arise from unrealized appreciation of investments held at year end. At December 31, 2024 and 2023, a deferred tax liability was calculated at an excise tax rate of 1.39%.

The Foundation is also subject to income tax at corporate rates on certain income that is considered unrelated business income under the Internal Revenue Code.

Altman Foundation

Notes to Financial Statements December 31, 2024 and 2023

4. Assets Measured at Fair Value

The following are major categories of investments measured at fair value on a recurring basis at December 31, grouped by the fair value hierarchy, for those investments subject to categorization within such hierarchy:

Description	2024			
	Level 1	Level 2	Investments measured at net asset value per share (*)	Total
Investments				
Bonds - core	\$ 10,702,655	\$ -	\$ -	\$ 10,702,655
Diversifying strategies	-	-	39,156,821	39,156,821
Global equity	40,130,037	-	58,111,623	98,241,660
Money market	7,099,242	-	-	7,099,242
Natural resources	-	-	4,953,541	4,953,541
Private capital	-	-	65,150,195	65,150,195
Private credit	-	-	30,945,177	30,945,177
Real estate - private	-	-	19,783,715	19,783,715
US Treasuries	6,409,578	-	-	6,409,578
Total Investments at fair value	<u>\$ 64,341,512</u>	<u>\$ -</u>	<u>\$ 218,101,072</u>	<u>\$ 282,442,584</u>
Description	2023			
	Level 1	Level 2	Investments measured at net asset value per share (*)	Total
Investments				
Bonds - core	\$ 11,486,046	\$ -	\$ 11,460,349	\$ 22,946,395
Diversifying strategies	-	-	36,765,188	36,765,188
Global equity	38,805,674	-	34,697,785	73,503,459
Money market	4,820,185	-	-	4,820,185
Natural resources	12,878,226	-	6,560,380	19,438,606
Private capital	-	-	69,658,505	69,658,505
Private credit	-	-	29,055,954	29,055,954
Real estate - private	-	-	19,357,904	19,357,904
US Treasuries	3,139,132	-	-	3,139,132
Total Investments at fair value	<u>\$ 71,129,263</u>	<u>\$ -</u>	<u>\$ 207,556,065</u>	278,685,328
Certificate of deposits				804,923
Total Investments				<u>\$ 279,490,251</u>

(*) As discussed in Note 2, investments that are measured using the practical expedient are not classified within the fair value hierarchy.

Altman Foundation

Notes to Financial Statements December 31, 2024 and 2023

4. Assets Measured at Fair Value *(continued)*

At December 31, 2024 and 2023 approximately 58% and 60%, respectively, of the Foundation's investment portfolio was invested with certain managers that provided equity or equity-like exposure. Management does not anticipate that losses, if any, resulting from such market concentration would materially affect the financial position and operations of the Foundation.

Information regarding investments valued at NAV using the practical expedient at December 31, 2024 is as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Diversifying strategies	\$ 39,156,821	\$ -	Monthly/Quarterly	30-90 days
Global equity	58,111,623	-	Daily	5-60 days
Private capital	65,150,195	26,264,701	Locked	Not applicable
Private credit	30,945,177	14,851,223	Locked	Not applicable
Natural resources	4,953,541	559,652	Locked	Not applicable
Real estate - private	19,783,715	16,791,586	Quarterly / Locked	45 days / Not applicable
	<u>\$ 218,101,072</u>	<u>\$ 58,467,162</u>		

Category/Number of investments	Investment Structure	Investment Strategy	Estimated remaining life(s)
Diversifying strategies 3 managers	commingled, semi-liquid	Multi-strategy fund with an event-driven focus, seeking to exploit situations in which events create opportunities to invest in securities at a discount to their exit values	not applicable
	commingled, semi-liquid	A diversified fund, with focus on liquid strategies in global equity, futures and foreign exchange markets	not applicable
	commingled, semi-liquid	Invests in senior secured, asset-based loans that provide growth or bridge financing to lower middle market companies or emerging asset-rich enterprises	not applicable
Global equity 2 managers	commingled, liquid	Provides actively managed equity exposure in both developed and emerging markets to outperform the MSCI ACWI Index while maintaining an allocation of assets primarily to Sub-Advisors and third party investment funds that are deemed diverse	not applicable
	commingled, liquid	Invests primarily in a diversified portfolio of common stocks and equity-linked securities in the global public equity markets, aiming to add value over its MSCI All Country World Index benchmark. It may use derivatives, including futures, options, foreign currency contracts, and swaps	not applicable

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Notes to Financial Statements December 31, 2024 and 2023

4. Assets Measured at Fair Value *(continued)*

Category/Number of investments	Investment Structure	Investment Strategy	Estimated remaining life(s)
Private Capital 20 managers	Private partnership, illiquid	These funds make control investments in private, non-listed small and medium-sized companies primarily in North America, Europe and Asia	10 funds in liquidation; 10 funds range between 19-140 months (Notes A,B)
Private Credit 6 managers	Private partnership, illiquid	These 4 funds invest primarily in senior secured corporate debt instruments, mainly in companies based in North America	range between from 12-47 months (Note A)
	Private partnership, illiquid	These 2 funds invest in less liquid and/or longer duration distressed situations and opportunities resulting from capital dislocations	range between from 4-36 months (Note A)
Natural Resources 3 managers	Private partnership, illiquid	These two funds invest primarily in other investment funds, which in turn, make oil, gas and other natural resource related investments direct investment or co-investment opportunities	One fund in liquidation; one fund is 24 months (Notes A,B)
	Private partnership, illiquid	This fund focuses on energy sector credit opportunities	In liquidation (Notes A,B)
Real Estate 5 managers	Private partnership, nonmarketable	Seeks to purchase portfolios of non-performing loans and non-core assets sold by European financial institutions	32 months (Note A)
	Private partnership, nonmarketable	Makes equity investments in workforce, affordable and mixed income multi-family assets located in the New York City metropolitan area	24 months (Note A)
	Private partnership, nonmarketable	Structures and purchases net lease real estate of primarily non-investment grade tenants with a focus on companies with potential to improve credit	82 months (Note A)
	Private partnership, nonmarketable	Non-Core investment exposure through investments in private real estate, infrastructure and real asset related investments	170 months (Note A)
	Real Estate Investment Trust	Invests in United States core real estate in apartment, industrial, retail, office and other properties in targeted metropolitan areas	not applicable, as this fund is open-ended

Note A - Not redeemable. Capital is returned to investor as distributions resulting from liquidation of the underlying assets. Fund life may be extended.

Note B - Includes fund(s) whose partnership life has ended and are in liquidation but will operate until the last asset is disposed of and the final distribution occurs.

Altman Foundation

Notes to Financial Statements
December 31, 2024 and 2023

4. Assets Measured at Fair Value *(continued)*

Investment Risks and Uncertainties

A majority of investments consist of non-traditional, not readily marketable investments. The underlying investments of such funds, whether invested in stock or other securities, are generally not currently traded in a public market and typically are subject to restrictions on resale. Values determined by investment managers and general partners of underlying securities that are thinly traded or not traded in an active market may be based on historical cost, appraisals, a review of the investees' financial results, financial condition and prospects, together with comparisons to similar companies for which quoted market prices are available or other estimates that require varying degrees of judgment.

Because of the inherent uncertainty of valuations, the estimated fair values may differ significantly from the values that would have been used had a ready market for such investments existed or had such investments been liquidated, and those differences could be material.

5. Program and Mission Related Investments

A Program Related Investment ("PRI"), defined in IRC 4944(c), has a primary purpose of advancing the mission of the Foundation without a significant purpose of the production of income or appreciation of investment. A PRI is treated as a charitable distribution on Internal Revenue Service Form 990-PF, the tax and information return filed by private foundations for minimum-distribution requirement purposes.

At December 31, 2024, the Foundation maintained an interest in a PRI loan portfolio that contained three investments as part of a limited partnership interest. These investments are expected to be redeemed between 2025 and 2027. There is an unfunded commitment of approximately \$2.5 million to the partnership at December 31, 2024. The Foundation did not have any direct PRI loans at December 31, 2024 and 2023. Allowances for collectability of this PRI loan portfolio are performed at the partnership level and the Foundation's interest is adjusted accordingly.

Expected repayments are as follows:

2025	\$ 59,006
2026	237,500
2027	<u>95,000</u>
PRI loans, net	391,506
Cash and accrued income held by GP	<u>272,074</u>
	<u>\$ 663,580</u>

Altman Foundation

Notes to Financial Statements December 31, 2024 and 2023

5. Program and Mission Related Investments (*continued*)

A Mission Related Investment ("MRI") is an investment which also advances the Foundation's charitable purpose and mission. However, returns on an MRI are risk adjusted or market-rate. As of December 31, 2024, the Foundation's two MRI totaled approximately \$4.6 million and consist of one private capital fund (approximately \$2.5 million) and a real estate fund (approximately \$2.1 million). As of December 31, 2023, the Foundation's six MRI totaled approximately \$5.1 million and consist of three certificates of deposit (approximately \$0.8 million), one private equity fund (approximately \$2.4 million) and a real estate fund (approximately \$1.9 million). The MRI's are included in investments on the statements of financial position.

6. Retirement Plans

The Foundation maintains a defined contribution 401(k) plan for eligible employees and makes the following contributions:

- (i) Employee contributions are permitted with the Foundation matching 100% of basic contributions up to a maximum of 5% of salary per employee. In 2024 and 2023, employer matching contributions were approximately \$78,000 and \$71,000, respectively.
- (ii) The employer makes a safe harbor nonelective contribution in the amount of 3% of eligible compensation. For 2024 and 2023, such amounts were approximately \$47,000 and \$43,000, respectively.
- (iii) Plan provisions permit the employer to make an annual discretionary profit-sharing contribution which is determined by the managing body of the Foundation. For both 2024 and 2023, these contributions were approximately \$69,000.

The Foundation has a non-qualified Section 457(b) retirement plan for a select group of employees. Employee contributions are on a pre-tax basis in amounts not to exceed Internal Revenue Code limits. The Foundation may make contributions on behalf of participants. In 2024 and 2023 there were no employer contributions. The corresponding asset and liability related to this plan amounted to approximately \$400,000 and \$390,000 as of December 31, 2024 and 2023, respectively. Such amounts are not presented in the accompanying statements of financial position.

7. Commitments and Contingencies

Office Leases

The Foundation has a non-cancellable operating lease through December 2030 for office space in New York City. In lieu of a security deposit, the Foundation maintains an open letter of credit in the amount of approximately \$173,000, which has automatic annual extensions. This lease requires minimum annual rental payments with escalations through the lease expiration date.

Altman Foundation

Notes to Financial Statements December 31, 2024 and 2023

7. Commitments and Contingencies (*continued*)

Office Leases (*continued*)

In addition, there are variable lease components consisting of the Foundation's share of utilities, building operating expenses, real estate taxes and other expenses. Such expenses are recognized in the period incurred and were approximately \$63,000 and \$83,000 for the years ended December 31, 2024 and 2023, respectively.

Annual minimum remaining lease payments and lease liability as of December 31, 2024 are as follows:

	Total
2025	\$ 380,819
2026	413,354
2027	413,354
2028	413,354
2029	413,354
Thereafter	413,354
Total lease payments	2,447,589
Less: imputed interest	223,804
	<u>\$ 2,223,785</u>

Lease expense for the office lease was approximately \$340,000 for each of the years ended December 31, 2024 and 2023.

The discount rate applied to calculate lease liability was 3.25%. The remaining lease term for the operating lease is six years. Cash paid for the operating lease was approximately \$380,000 for each the years ended December 31, 2024 and 2023.

The right-of-use asset is amortized over the lease life, and is as follows:

Balance at January 1, 2023	\$ 2,335,075
Annual amortization	<u>253,824</u>
Balance at January 1, 2024	2,081,251
Annual amortization	<u>263,512</u>
Balance at December 31, 2024	<u>\$ 1,817,739</u>

Lines of Credit

The Foundation maintained a secured revolving line of credit agreement with a bank for \$15 million, which was renewed on July 16, 2023 and expired on July 15, 2024, without renewal. Subsequently, on October 2, 2024, the Foundation entered into a new secured revolving line of credit agreement for \$20 million with another bank. There were no borrowings against either line during 2024 or 2023. Both lines bear interest as defined in the agreement. Any borrowings are secured by certain assets of the Foundation.

Altman Foundation

Notes to Financial Statements December 31, 2024 and 2023

8. Furniture, Equipment and Leasehold Improvements

Furniture, equipment and leasehold improvements, net are as follows at December 31:

	2024	2023
Leasehold improvements	\$ 973,821	\$ 973,821
Furniture and equipment	-	195,809
Computer hardware and software	294,693	253,964
	1,268,514	1,423,594
Less accumulated depreciation and amortization	838,491	931,885
	<u>\$ 430,023</u>	<u>\$ 491,709</u>

Depreciation and amortization expense for 2024 and 2023 was approximately \$102,000 and \$101,000 respectively.

9. Grants Payable

The Foundation has entered into grant commitments to certain organizations. Payments to these organizations at December 31, 2024 and 2023 are to be made as follows:

	2024	2023
Less than one year	\$ 4,404,980	\$ 3,496,285
One to two years	100,000	-
Total Grants Payable	<u>\$ 4,504,980</u>	<u>\$ 3,496,285</u>

10. Liquidity and Availability of Financial Assets

The Foundation's financial assets and resources available to meet general operating cash needs within one year of the dates of the statements of financial position were as follows:

	December 31	
	2024	2023
Financial Assets		
Cash	\$ 890,379	\$ 87,483
Investments	282,442,584	279,490,251
Program related investments	663,580	936,670
Total Financial Assets	283,996,543	280,514,404
Less:		
Illiquid investments	115,141,780	129,160,370
Program related investments to be collected beyond one year	604,574	638,444
Financial Assets Available to Meet General Operating Cash Needs	<u>\$ 168,250,189</u>	<u>\$ 150,715,590</u>

Altman Foundation

Notes to Financial Statements
December 31, 2024 and 2023

10. Liquidity and Availability of Financial Assets (*continued*)

As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its grants, operating disbursements, program related investment and limited partnership capital calls come due. As of July 1, 2024, the Foundation's investment portfolio is managed through an outsourced Chief Investment Officer ("OCIO"). Sources of liquidity throughout the year include (i) proceeds from redemptions of investments as needed, (ii) cash distributions from its various limited partnership investments, and (iii) repayment of program related investments.

In the event of unanticipated liquidity needs, the Foundation can draw upon a committed line of credit (Note 7). In addition, the Foundation maintains a balance of cash and marketable equity securities which can be redeemed by the OCIO to fund grants and operating expenses.

Included in the general operating cash needs of the Foundation is the Internal Revenue Service regulation to distribute a minimum amount for charitable purposes which approximates 5% of its assets, with certain adjustments.

11. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which is September 16, 2025.

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